

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**Before the Commissioner of Financial and Insurance Services**

**Louis Tallerico,**

**Petitioner,**

**v**

**Case No. 05-457-L  
Docket No. 2005-222**

**Office of Financial and Insurance  
Services,**

**Respondent.**

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**For the Petitioner:**

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**For the Respondent:**

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**Issued and entered  
this 2<sup>nd</sup> day of March 2006  
by Linda A. Watters  
Commissioner**

**FINAL DECISION**

The Administrative Law Judge issued a Proposal for Decision dated January 10, 2006. He recommended that the Commissioner find the Petitioner's application for license was properly denied. The Petitioner filed Exceptions.

The Petitioner is working for a company that adjusts workers compensation claims. His employer requires that he get licensed.

The Notice of Refusal to Grant License, which gave rise to this contested case, states, “We are in receipt of your application for insurance licensing signed by you on November 9th, 2004, for the adjuster license for the fire and other hazards and worker’s compensation lines of insurance.” Thus, the Proposal for Decision is amended to reflect it is an application for an adjuster license, not a producer license, that is at issue.

Accordingly, the references to and the quotations of the standards for a producer license are replaced by MCL 500.1224, which governs the granting or denial of an adjuster license.

This section provides:

- 1) An application for a license to act as an adjuster shall be made to the commissioner on forms prescribed by the commissioner.
- (2) Within a reasonable time after receipt of a properly completed application form, the commissioner may subject the applicant to a written examination, and may conduct investigations and propound interrogatories concerning the applicant's qualifications, residence, business affiliations, and any other matter that the commissioner considers necessary or advisable to determine compliance with this chapter, or for the protection of the public. The commissioner may waive the examination requirements of this subsection for a person who has been licensed as an adjuster within the preceding 12 months. The commissioner shall make a decision on the application within 60 days after receipt of a properly completed application form.
- (3) After examination, investigation, and interrogatories, the commissioner shall issue a license to an applicant if the commissioner determines that the applicant possesses reasonable understanding of the provisions, terms, and conditions of the insurance with which the applicant will deal, possesses reasonable understanding of the insurance laws of this state, intends in good faith to act as an adjuster, possesses a good business reputation, and possesses good moral character to act as an adjuster

The “protection of the public” underlies the licensing process. The pending felony charge respecting alleged embezzlement prevents the Commissioner from determining that the

applicant, “intends in good faith to act as an adjuster, possesses a good business reputation, and possesses good moral character to act as an adjuster.”

The Respondent in his Exceptions states that, “... Petitioner will in fact be subject to the penalties for a misdemeanor violation only, and accordingly should not be denied the request for the adjuster’s license as claimed.” He does so because one of the standards respecting a producer license bars licensures where there has been a conviction of a felony. However, that is not part of the standards for licensure as an adjuster. Moreover, honesty and trust underlie the standards for both types of licensee and a misdemeanor conviction related to mishandling money precludes licensure.

The factual findings in the PFD are in accordance with the preponderance of the evidence. The PFD is attached, adopted, and made part of this final decision with the amendments set forth above.

### **ORDER**

Therefore, it is ORDERED that the denial of the Petitioner’s application is affirmed.